

Reliable evidence for Federal Home Loan Bank membership decisions

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Submitted in an individual academic capacity. The views expressed are my own.

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I support renewing the information collection needed to determine and administer Federal Home Loan Bank membership. Its value depends on whether the evidence answers a defined decision question and remains traceable when it is supplemented, challenged or reused. My comments address the four criteria in section E of Notice 2026-N-11, with particular attention to practical utility, clarity and respondent burden. [1]

These are recommendations for administering the collection. I am not proposing to relax membership eligibility requirements, and I do not offer applicant-level time estimates or claim direct experience processing membership applications.

Questions 1 and 3 Connect information to the membership decision

The useful unit of simplification is a verified fact that can be reused for a defined decision. Instructions could make clear which membership requirement a requested item addresses, the reporting date to which it relates and which supporting document is acceptable. Where alternative evidence is permitted, the instructions should identify the conditions rather than leave applicants to infer them from a general request.

The existing regulation already provides a sound basis for this approach: the Bank prepares a digest of its findings and maintains a membership file. I recommend using those records to connect the conclusion, the supporting source and any subsequent change, rather than introducing a parallel explanatory dossier. A reviewer should be able to distinguish an updated figure from a change in the applicable assessment. [2]

Where a report contains information relevant to several requirements, the applicant should, when legally and operationally permissible, be able to identify the relevant portions of one document. Requiring the same underlying fact to be re-entered in several places can create inconsistencies that obscure rather than improve the evidence. Reuse should remain subject to appropriate access controls and any restrictions on supervisory information.

Question 2 Explain the work behind the burden estimates

The notice separates applications, appeals, withdrawal notices and transfer requests. The assessment of burden should retain that distinction and explain which activities the time estimates cover: obtaining existing records, preparing any new explanation, internal review, submission and responses to requests for clarification. The same headline average can otherwise describe quite different workloads. [1]

I cannot validate the numerical estimates without operational observations. A useful check would be a small, voluntary review of completed cases that distinguishes straightforward submissions from those requiring additional clarification. This could identify whether a few demanding cases materially affect the average, without imposing a new universal time-reporting obligation.

A comparison should also separate time spent producing required evidence from time spent correcting an avoidable inconsistency in the instructions. The appropriate response to the first may be better use of

existing information; the appropriate response to the second may be a clearer definition or a better example. Combining them into one cost would make it harder to select an effective improvement.

Questions 3 and 4 Make supplementation and reuse dependable

The regulation already requires applicants to supplement relevant information before the membership decision and, if appealed, before the appeal is resolved. The submission process should make that duty straightforward to fulfil. A supplement should identify the case, the item being changed, the date and the document it replaces or supplements. An acknowledgement should show that it reached the relevant file. [2]

In an appeal, the record of the original decision should remain distinguishable from later evidence. This would help FHFA understand what the Bank considered and what the applicant is now asking FHFA to review. It would not predetermine the weight to assign to either record or expand the grounds for appeal.

For a qualifying automatic transfer, the collection should focus on the information needed for that transfer and for the Banks to arrange it. The notice expressly distinguishes this route from withdrawal followed by a new membership application. Any permitted use of existing records should preserve that distinction while identifying information that genuinely needs updating. [1]

Electronic collection can assist through clear field definitions, basic consistency checks and a usable receipt. Controls should flag a possible mismatch for review rather than silently overwrite a submitted value. Applicants should have a clear way to explain a legitimate difference. These features can improve data quality without requiring every respondent to adopt the same internal technology.

FHFA could evaluate the improvements through recurring clarification requests and the ease with which reviewers locate the evidence behind a conclusion. The objective should be less repeated work and a more usable decision record, with the information needed to apply the existing membership rules preserved.

References

[1] Federal Housing Finance Agency, Notice No. 2026-N-11, Proposed Collection; Comment Request: Members of the Banks, 91 FR 59131-59133, 18 September 2026. Sections C-E, printed pp. 59132-59133.

[2] 12 CFR 1263.2 - Membership application requirements; 12 CFR 1263.4 - Automatic membership; 12 CFR 1263.5 - Appeals. Section 1263.2(a)-(c), duty to supplement, digest and file; sections 1263.4-1263.5. Displayed current through 22 October 2026.